



Focus on Economic Growth

Topics

- **Welcome**
- **Connecticut's Economic Development Strategy/Tools**
- **Partner support**
- **Q&A**

Connecticut's Strengths

- **We have the talent needed for growth**
- **Connecticut is a center of innovation**
- **When businesses talk, Connecticut listens**
- **We invest for growth**
- **We offer a unique blend of location/access and quality of life**

Connecticut has a Clear Strategy

Our Vision

Connecticut ranks among the top quartile states in economic growth

Our Mission

Develop and implement strategies to increase the state's economic competitiveness

Economic Development Strategy

- **Build on our established strengths and emerging sectors; differentiate based on our key assets to achieve these goals:**
 - Retain and grow our existing base of jobs
 - Foster innovation and new business development
 - Grow and enrich our talent pool
 - Build vibrant neighborhoods and communities
 - Ensure quality housing at a broad range of prices
 - Build a brand for a the state which drives economic growth
 - Motivate and engage our employees and partners



Composition of the CT Economy

Employment by Cluster, 2010



Key Strengths to Build Upon:

- Insurance/Financial Services
- Healthcare/Lifesciences
- Advanced Manufacturing
- Tourism

Emerging Opportunities:

- Digital Media
- Green Technology
- IT Innovation

Source: Prof. Michael E. Porter, Cluster Mapping Project, Institute for Strategy and Competitiveness, Harvard Business School; Rich Bryden, Project Director.

Insurance and Financial Services are the Largest Employers in the State

- Still the “Insurance Capital of the World”
- In 2011, finance and insurance accounted for 19.4% of state’s economy
- Employment in finance and insurance remained stable through the recession, 8.4% in 2000 to 8.3% in 2011



Healthcare / Bioscience

- A total of 800 companies/entities in the state
- Ranked 3rd in United States with 15.3% of population having advanced degrees
- Ranked 6th in United States for scientists and engineers
- Annual average wage in bioscience is 25% higher than national average



Yale



Advanced Manufacturing / Aerospace

- Worker productivity doubled in the last decade and is nearly 20% higher than national average; we are in the top 10 states for Value Add per Production Hour Worked
- We rank 2nd in states in R&D invested per \$100,000 of sales
- We are home to a number of world-renown research institutions
- In 2009 the nearly \$7 billion in aerospace exports accounted for 56% of the state's exported manufactured goods



KAMAN

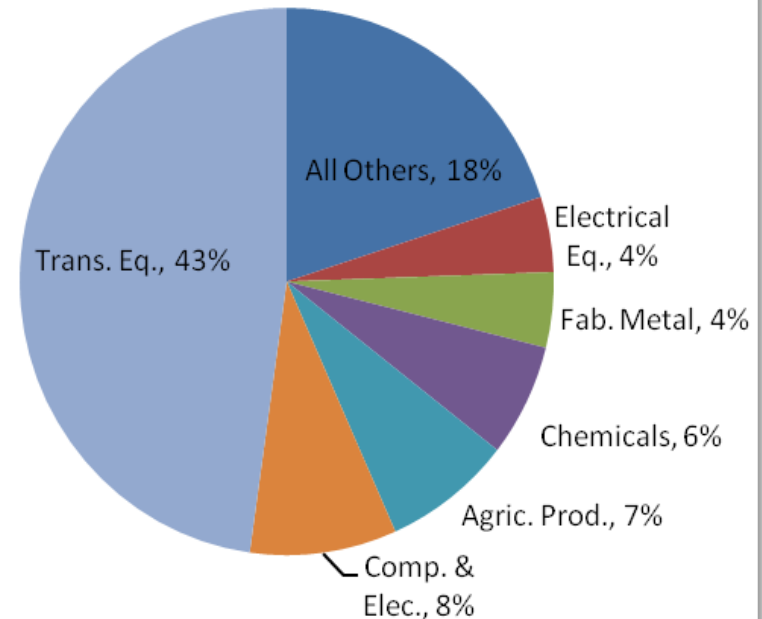
Tourism

- **Tourism and hospitality is a \$11.5B industry that employs 110,000 people and generates \$1.15B in state and local taxes**
- **“Still Revolutionary” marketing and branding campaign is producing results:**
 - Nearly 7% increase in visitation at major tourist attractions
 - Lodging tax revenue collections contributed \$101 million in fiscal 2012
 - Jobs in leisure and hospitality increased 9 out of the past 11 months and was a top 3 generator of jobs in 6 of those months

Global Opportunities

- Exports are an engine of growth – exceeded \$16 billion in 2011
- A broad array of industries participate in trade
- Foreign Direct Investment is on the rise
 - CT is home to 691 foreign affiliates
 - They employ 106,500 and invest \$13.4B annually
- Focus on FDI will shift to emerging markets

Exports by Commodity 2011



Support Innovation

- **Through Connecticut Innovations stimulate more activity in startup activity:**
 - Increase our investment in pre-seed, early stage companies
 - Support young companies with capital, mentoring
 - Move up in our state rankings from 7th for VC deals but making it easier for investors to support our startups
 - Launch the Innovation Ecosystem



Digital Media

- **The state has taken the lead to create the right economic environment for this growing industry**
 - Tax credits for production, infrastructure and digital animation
 - Collaborating to develop a talented and qualified labor pool
 - ESPN and NBC are expanding with a combined \$300M in capital investments and 1,250 jobs
 - These and other companies, like Blue Sky, continue to grow and draw still more companies to the state

Green Economy

- CEFIA is the nation's first "Green Bank"
- Through CEFIA, over \$30 million invested by homeowners in residential solar PV and nearly 400 jobs created (150 direct and 250 indirect and induced) in 2012
 - Clean energy programs focused on driving down the cost of clean energy
 - Leveraging private dollars vs subsidization
- Create jobs: thousands of jobs in efficiency, deployment of renewables, strengthening of electric grid, and build out of natural gas infrastructure are in the balance



Other Components of the Strategy

Invest in our Workforce

- Create long-term strategy to align education to business growth (partner with Business, Education, Labor, CETC)
- Established/expanded manufacturing technology programs in 4 community colleges and grow engineering capacity in other schools
- Partner with Education to offer courses, directly stimulate economic activity
- Focus training on areas of greatest need

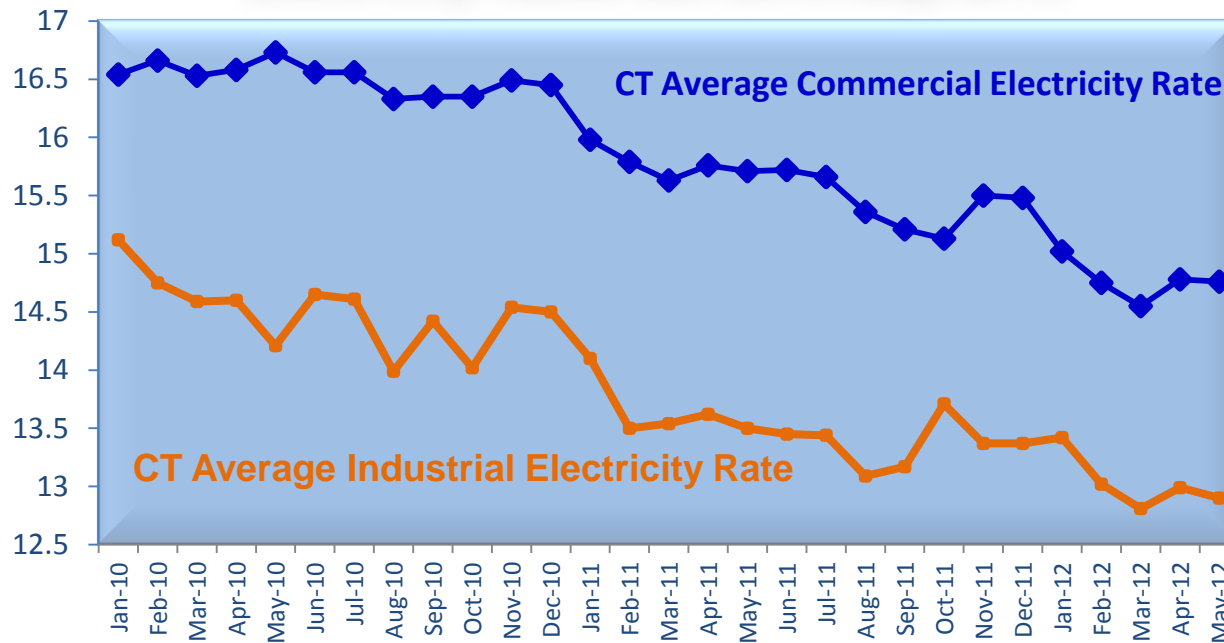


Improve the Regulatory Environment

- **Expedite the permitting process – LEAN approach being used in most agencies**
- **Improving business tax structure**
 - New report from Task Force
 - 50% Reduction in Business Entity Tax
- **Bring down the cost of doing business in critical areas**

Comprehensive Energy Strategy

Connecticut Commercial and Industrial Electricity Rates Jan 2010-May 2012



Governor's new energy vision will build on strides made in energy policies and help Connecticut improve its position as #6 in Energy Efficiency

- Lower the cost of energy through
 - Increased use of natural gas
 - Better efficiency
- Make our electrical grid more reliable
- Decrease emissions of carbon and other pollutants

Livable Communities

- **Promote and invest in transit-oriented development, housing, and arts and culture**
 - Extend our 10-year, \$500M commitment to build new and renovate existing housing
 - Integrate arts/culture and preservation with economic development (e.g. City Canvases)
 - Support Transit Oriented Development through all our programs
 - Target Brownfield developments to support our economic development strategy

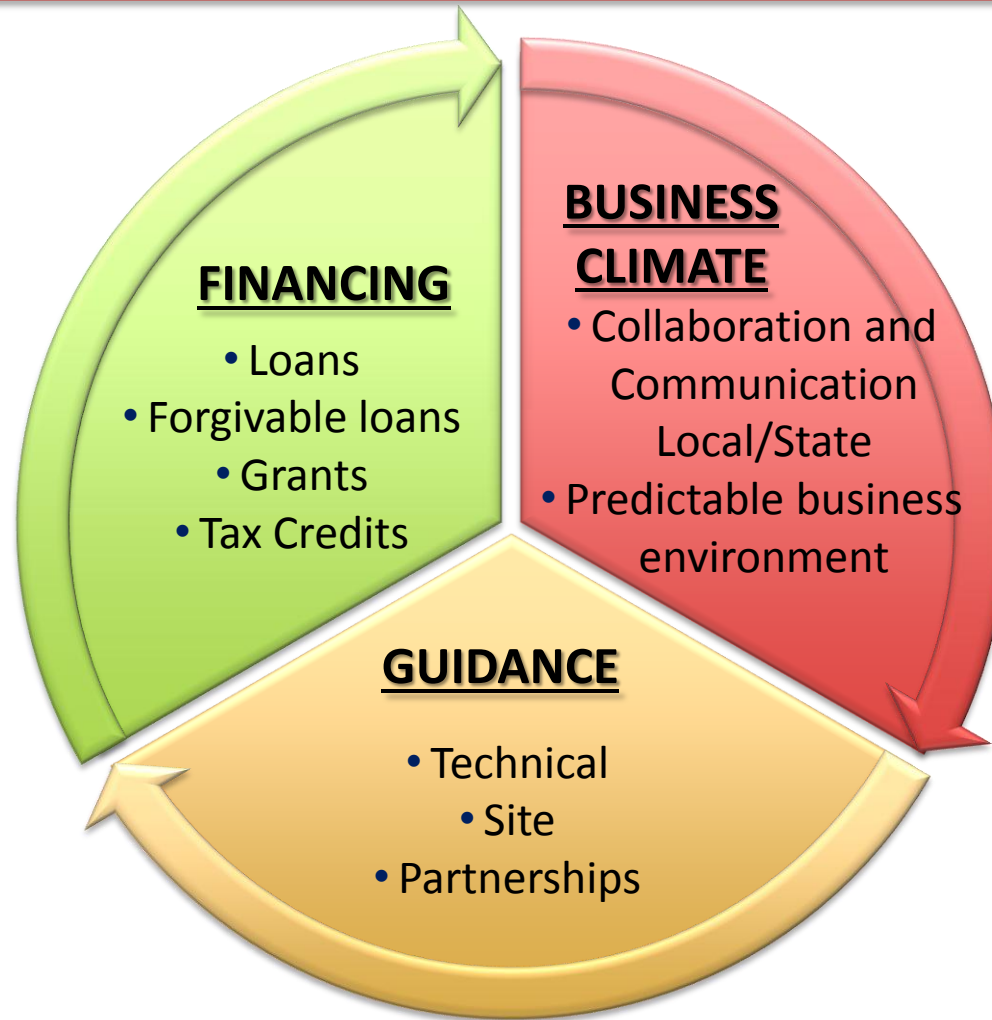


Build the Brand



Connecticut 
still revolutionary

Tools Available to Assist Businesses



Financial Assistance – A New Approach

- **Greater emphasis on leveraging private sector investments**
- **Strengthening existing partnerships and expanding collaborative efforts with all of you**
- **Giving priority to investments that link to other policy initiatives e.g., transit-oriented development, brownfield redevelopment, veterans employment initiatives**



First Five

Projects that create 200 jobs within 2 years or invest at least \$25,000,000 capital investment and create 200 jobs within 5 years

CareCentrix



ALEXION
pharmaceuticals



Deloitte.

Small Business Express Program

Business Impact

	Total
Applications received to date	1,607
Businesses receiving financial assistance	494
Applications in process	661
Applications denied	452
Minority/Women owned businesses receiving assistance	66
Private investment leveraged (<i>approximate</i>)	\$40,000,000

Payments To Date

	Total
Grants	\$27,512,333
Loans	\$39,713,377

In Final Review

	Total
Number of businesses in final review	271
Amount to be funded	\$38,375,067

TOTAL DECD Assistance

\$105,600,777

**In total, EXP has impacted
over 6300 jobs**

Jobs to be created	1738
Jobs to be retained	4616



Tax Incentives



- **Corporate business tax credits**
 - R&D, M&E, etc.
- **Job Expansion Tax Credit**
- **Urban and Industrial Sites Reinvestment Tax Credit**
- **Film Production & Digital Media Tax Credit**
- **Enterprise Zone benefits**
 - 80% property tax abatement
 - Up to 50% corporate tax credit

Technical Assistance

- **Business Support through partners**
 - Small Business Development Center (SBDC)
 - Process management (CONNSTEP)
 - Connecticut Center for Advanced Technology (CCAT)
 - Procurement Technical Assistance Program (PTAP)
 - Turnaround Management Assistance
 - Mentor Networks (Ecosystem)
- **Site Selection (CERC)**
- **Energy Conservation (CEFIA)**
- **Foreign Trade (US Commerce)**
- **Connections/Introductions (All!)**



Measure our Success

Metric	How Measured	2010	2011	2012 YTD
Net Job Growth	Total Nonfarm Jobs (<i>annual avg.</i>) & YOY Change	1,607,900	1,623,925	1,625,400 (11/12)
Retain Large Companies (<i>>1,000 jobs</i>)	Total Large Company Jobs (<i>4 quarter avg.</i>)	299,894 (-0.2%)	301,070 (0.4%)	TBD
Net Firm Creation	Business Starts Minus Stops (<i>cumulative</i>)	2,603	2,485	3,605 (Q2)
Exports	Billions of dollars	\$16.056B	\$16.212B	\$14.422 B (11/12 YTD)
Tourism	Major Attraction Visitors	1,540,388	1,601,782	1,582,983 (11/12 YTD)
Build and Renovate Affordable Housing	Number of Units (New & Renovated)	DECD 1221 CHFA 500	DECD 718 CHFA 1813 Total: 2742	DECD 2,892 CHFA 739 Total 5,044 (12/12 YTD)
State Revenues	Billions of dollars (<i>end of fiscal year</i>)	\$12.614B	\$13.692B	\$14.455 B (11/12 YTD)

Conclusion

- **To successfully grow jobs, we need to:**
 - **Work together!**
 - **Focus on our strengths**
 - **Concentrate on highest-growth opportunities**
 - **Build talent to meet the needs of emerging growth areas**
 - **Invest for the future, using our state resources in a targeted, leveraged manner**



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